

**LAFAYETTE ECONOMIC
DEVELOPMENT AUTHORITY
LAFAYETTE, LOUISIANA**

Financial Report

Year Ended December 31, 2013

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
FINANCIAL STATEMENTS	
GOVERNMENT WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	10
Statement of Activities	11
FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Fiduciary Net Position - Fiduciary Funds	15
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	16
Notes to the Financial Statements	17-29
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Fund	31
INTERNAL COMPLIANCE, CONTROL, AND OTHER INFORMATION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32-33
OTHER SUPPLEMENTARY INFORMATION	
General Fund	34
Statements of Expenditures - Budget (GAAP Basis) and Actual	35
Agency Fund	36
Combining Balance Sheet and Statement of Changes in Assets and Liabilities	37
Industrial Development Revenue Bonds Issued and Outstanding	38
Compensation Paid to Members of the Board of Commissioners	39
Summary of Corrective Action Taken on Prior Year Findings	40
Schedule of Findings and Questioned Costs	41

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA, CFP *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV, APA *

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, DABFA**

BRIDGET B. TILLEY, CPA, MT**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA * +
MICHAEL G. DEHART, CPA * +
JOE D. HUTCHINSON, CPA * +

+RETIRED



STEPHANIE A. BLANK, CPA

ROBERT T. DUCHARME, II, CPA

STEFAN HAWKINS, CPA

KAYLEEN HOWARD, CPA

MARY PATRICIA KEELEY, CPA

ROBIN T. LeBLANC, CPA

WENDY ORTEGO, CPA, CVA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

INDEPENDENT AUDITORS' REPORT

Chairman of the Board
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 30 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

June 9, 2014
Lafayette, Louisiana

Management's Discussion and Analysis

As management of the Lafayette Economic Development Authority, we offer readers of the Lafayette Economic Development Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2013.

Financial Highlights

- The assets of the Lafayette Economic Development Authority exceeded its liabilities at the close of the fiscal year ended December 31, 2013 by \$14,906,131 (*net position*). Of this amount, \$11,420,468 (*unrestricted*) may be used to meet the Authority's ongoing obligations to creditors.
- The Authority's total net position increased by \$1,330,542. This increase is substantially attributed to the Sale of Land for \$2,053,450.
- As of the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$13,324,756, an increase of \$1,470,773 in comparison with the prior year. This increase is substantially attributed to proceeds from the Sale of Land in the Business/Park Expansion or Attraction Fund.
- Ad valorem taxes increased by \$176,810 due to increases in the taxable property valuation in 2013 by the Lafayette Parish Assessor.
- At the end of the current fiscal year, *unassigned fund balance* for the general fund was \$5,624,741. This amount is available for future general government expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Lafayette Economic Development Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. *The Government-wide Financial Statements* are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's *net position* changed during the most recent fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the *Government-wide Financial Statements* distinguish functions of the Lafayette Economic Development Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through charges (*business-type activities*). The *governmental activities* of the Authority include general government expenses incurred in the Authority's mission of facilitating economic growth in Lafayette parish and the sale of land in the four industrial parks owned by the Authority. The Authority had no *business-type activities* to report.

The *Government-wide Financial Statements* can be found on pages 10 and 11 of this report. The *Governmental Fund Financial Statements* can be found on pages 12, 13, and 14 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lafayette Economic Development Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: *governmental funds* and *fiduciary funds*.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *Government-wide Financial Statements*. However, unlike the *Government-wide Financial Statements*, *Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the *Government-wide Financial Statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *Government-wide Financial Statements*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains four individual *governmental funds*. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the capital projects (Business/Park Expansion or Attraction) fund, the capital projects (Building Maintenance) fund, and the special revenue (Entrepreneurship, Technology and Innovation) fund. The general fund is considered by the Authority to be its major fund.

The Lafayette Economic Development Authority adopts an annual budget for both its general fund and special revenue fund. A budgetary comparative statement has been provided for the general fund and the special revenue fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the *Government-wide Financial Statement* because the resources of those funds are not available to support the Authority's own programs.

The basic *Fiduciary Fund Financial Statements* can be found on pages 15 and 16 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the *Government-wide* and *Fund Financial Statements*. The notes to the financial statements can be found on pages 17 through 29 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Lafayette Economic Development Authority, assets exceeded liabilities by \$14,906,131 at the close of the most recent fiscal year.

In 2013, the largest portion of the Authority's net position (60 percent) was its Cash held in the bank.

Lafayette Economic Development Authority Net Position

	<u>Government Activities</u>	
	<u>2013</u>	<u>2012</u>
<u>Current and other assets</u>	\$11,761,220	\$8,939,596
<u>Noncurrent assets</u>	3,485,663	4,971,403
<u>Total assets</u>	15,246,883	13,910,999
<u>Long-term liabilities outstanding</u>	37,560	51,866
<u>Other liabilities</u>	303,192	283,544
<u>Total liabilities</u>	340,752	335,410
<u>Net assets:</u>		
<u>Invested in capital assets</u>	1,618,935	1,773,472
<u>Restricted for inventory of land for resale</u>	1,866,728	3,197,931
<u>Unrestricted</u>	11,420,468	8,604,186
<u>Total net position</u>	\$14,906,131	\$13,575,589

At the end of the current fiscal year, the Authority is able to report a positive balance in net position. The same is true for the prior fiscal year.

Governmental Activities. Governmental activities increased the Authority's net position by \$1,330,542. Key elements of this increase are as follows:

Lafayette Economic Development Authority
Changes in Net Position

	<u>Government Activities</u>	
	<u>2013</u>	<u>2012</u>
Revenues:		
Program Revenues:		
Sale of land	\$2,053,450	\$300,602
General Government	11,335	2,195
General Revenues:		
Ad valorem taxes	3,372,114	3,195,304
Revenue sharing	112,410	110,549
Unrestricted investment earnings	92,164	70,464
Gain (loss) on sale of fixed assets	(505)	2,289
Miscellaneous	49,891	783,895
Total revenues	5,690,859	4,465,298
Expenses:		
General government	3,029,054	3,080,643
Cost of land sold & asset disposals	1,331,263	147,319
Interest on long-term debt	0	3,850
Total expenses	4,360,317	3,281,812
Increase (Decrease) in net position	1,330,542	1,183,486
Net assets – beginning	13,575,589	12,342,103
Net assets - ending	\$14,906,131	\$13,575,589

- Sale of land increased by \$1,752,848 due to the sale of six lots in two of LEDA's Industrial Parks.
- Miscellaneous revenues decreased by \$734,004 mostly due to \$738,366 in financial incentives paid/accrued in 2012 as a result of the failure to meet the payroll requirements as stipulated in a 2006 Cooperative Endeavor Agreement between LEDA and NuComm International US, Inc.
- General government expenses decreased by \$51,589 mostly due to decreased expenses in the Entrepreneurship, Technology and Innovation Fund.
- Cost of land sold & asset disposals increased by \$1,183,944 due to the sale of land occurring in 2013.

Financial Analysis of Government's Funds

As noted earlier, the Lafayette Economic Development Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

As of the end of the current fiscal year, the Lafayette Economic Development Authority's *Governmental Funds* reported combined ending fund balances of \$13,324,756 which is an increase of \$1,470,773 in comparison with the prior year.

Approximately forty-two percent of the amount, \$5,624,741, constitutes unassigned fund balance, which have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The remainder of fund balance is 1) non-spendable funds because they are either not spendable in form or legally or contractually required to be maintained intact; 2) restricted funds that are restricted by external sources or by constitutional provisions or enabling legislation; and 3) committed funds that can only be used for specific purposes.

The fund balance of the Lafayette Economic Development Authority's general fund increased by \$234,716 during the current fiscal year. Key factors for the net increase are as follows:

- Ad valorem taxes increased by \$176,810 due to increases in the taxable property valuation in 2013 by the Lafayette Parish Assessor.
- General government expenditures increased by \$452,837.
- Capital outlay decreased by \$79,695.
- Debt service expenditures decreased by \$143,850.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be summarized as follows:

- \$165,000 increase in Taxes Revenue
- \$5,650 increase in Intergovernmental Revenue
- \$5,100 increase in Miscellaneous Revenue
- \$189,300 increase in General Government Expenditures
- \$20,000 decrease in Capital Outlay
- \$8,750 increase in Interest Earned
- \$15,200 increase in Transfers Out

Capital Asset and Debt Administration

Capital Assets. The Lafayette Economic Development Authority's investment in capital assets for its governmental activities as of December 31, 2013 amounts to \$1,618,935 (net of accumulated depreciation). This investment in capital assets includes a building, furniture, fixtures located in the building, and manufacturing equipment. The total decrease in the Authority's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$154,537.

Major capital asset events during the current fiscal year included the following:

- Acquisitions of Furniture, Fixtures and Equipment were \$33,319 during 2013.
- Depreciation expense for 2013 was \$187,351.

Additional information on the Lafayette Economic Development Authority's capital assets can be found in Note 1 on page 19 of this report.

Long-Term Debt.

The Authority's total debt increased by \$5,342 during the current fiscal year. The key factors in this increase were an increase in Accounts Payable of \$4,530; an increase in Other Accrued Liabilities of \$15,118; and a decrease in compensated absences of \$14,306.

Additional information on the Authority's long-term debt can be found in Note 7 on page 26 of this report.

Economic Factors and Next Year's Budget

- The unemployment rate for the Lafayette Parish in October 2013 was 4.2 percent, which is an increase from a rate of 4.1 percent a year ago. This compares favorably to the state's average unemployment rate for the month of October 2013 of 5.7 percent and the national average rate for October 2013 of 7.0 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the Lafayette Economic Development Authority's budget for the 2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Lafayette Economic Development Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gregg Gothreaux, President and CEO, Lafayette Economic Development Authority, 211 East Devalcourt Street, Lafayette, Louisiana, 70506.

FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS (GWFS)

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

DECEMBER 31, 2013

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash	\$ 9,040,281	\$ 5,415,207
Other receivables	6,217	640,730
Prepaid expenses	63,020	86,088
Receivables - taxes (net of allowance for uncollectibles)	<u>2,651,702</u>	<u>2,797,571</u>
Total current assets	<u>11,761,220</u>	<u>8,939,596</u>
Noncurrent assets:		
Inventory of land held for resale	1,866,728	3,197,931
Capital assets, net of accumulated depreciation	<u>1,618,935</u>	<u>1,773,472</u>
Total noncurrent assets	<u>3,485,663</u>	<u>4,971,403</u>
Total assets	<u>\$ 15,246,883</u>	<u>\$ 13,910,999</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 108,571	\$ 104,041
Other accrued liabilities	<u>194,621</u>	<u>179,503</u>
Total current liabilities	<u>303,192</u>	<u>283,544</u>
Noncurrent liabilities:		
Compensated absences	<u>37,560</u>	<u>51,866</u>
Total noncurrent liabilities	<u>37,560</u>	<u>51,866</u>
Total liabilities	<u>\$ 340,752</u>	<u>\$ 335,410</u>
NET POSITION		
Invested in capital assets	\$ 1,618,935	\$ 1,773,472
Restricted		
Inventory of land for resale	1,866,728	3,197,931
Unrestricted	<u>11,420,468</u>	<u>8,604,186</u>
Total net position	<u>\$ 14,906,131</u>	<u>\$ 13,575,589</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Government Activities:					
General government	\$ 3,029,054	\$ 1,500	\$ 9,835	\$ -	\$ (3,017,719)
Cost of land sold and asset disposals	<u>1,331,263</u>	<u>2,053,450</u>	<u>-</u>	<u>-</u>	<u>722,187</u>
Total governmental activities	<u>\$ 4,360,317</u>	<u>\$ 2,054,950</u>	<u>\$ 9,835</u>	<u>\$ -</u>	<u>(2,295,532)</u>
General revenues:					
Ad valorem taxes					3,372,114
State revenue sharing					112,410
Unrestricted investment earnings					92,164
Gain on sale of fixed assets					(505)
Miscellaneous					<u>49,891</u>
Total general revenues					<u>3,626,074</u>
Change in net position					1,330,542
Net position-beginning					<u>13,575,589</u>
Net position-ending					<u>\$ 14,906,131</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

FUND FINANCIAL STATEMENTS

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General	Capital Projects (Business/Park Expansion or Attraction)	Capital Projects (Building Maintenance)	Special Revenue (Entrepreneurship, Technology and Innovation Fund)	Total Governmental Funds
ASSETS					
Cash	\$ 3,257,696	\$ 5,488,062	\$ 114,770	\$ 179,753	\$ 9,040,281
Other receivables	6,217	-	-	-	6,217
Prepaid expenses	50,840	-	-	12,180	63,020
Due from other fund	-	-	-	2,132	2,132
Receivables - taxes (net of allowance for uncollectibles)	2,651,702	-	-	-	2,651,702
Inventory of land held for resale	-	1,866,728	-	-	1,866,728
Total assets	<u>\$ 5,966,455</u>	<u>\$ 7,354,790</u>	<u>\$ 114,770</u>	<u>\$ 194,065</u>	<u>\$ 13,630,080</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 94,121	\$ 135	\$ -	\$ 14,315	\$ 108,571
Due to other fund	2,132	-	-	-	2,132
Other accrued liabilities	194,621	-	-	-	194,621
Total liabilities	<u>290,874</u>	<u>135</u>	<u>-</u>	<u>14,315</u>	<u>305,324</u>
Fund balances:					
Nonspendable	50,840	1,866,728	-	12,180	1,929,748
Restricted	-	-	-	167,570	167,570
Committed	-	5,487,927	114,770	-	5,602,697
Unassigned	5,624,741	-	-	-	5,624,741
Total fund balances	<u>5,675,581</u>	<u>7,354,655</u>	<u>114,770</u>	<u>179,750</u>	13,324,756
Total liabilities and fund equity	<u>\$ 5,966,455</u>	<u>\$ 7,354,790</u>	<u>\$ 114,770</u>	<u>\$ 194,065</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 1,618,935

Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (37,560)

Net position of governmental activities \$ 14,906,131

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Capital Projects (Business/Park Expansion or Attraction)</u>	<u>Capital Projects (Building Maintenance)</u>	<u>Special Revenue (Entrepreneurship, Technology and Innovation Fund)</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes - ad valorem	\$ 3,372,114	\$ -	\$ -	\$ -	\$ 3,372,114
Intergovernmental	123,745	-	-	-	123,745
Sale of land	-	2,053,450	-	-	2,053,450
Miscellaneous	<u>76,899</u>	<u>43,964</u>	<u>1,066</u>	<u>20,126</u>	<u>142,055</u>
Total revenues	<u>3,572,758</u>	<u>2,097,414</u>	<u>1,066</u>	<u>20,126</u>	<u>5,691,364</u>
Expenditures:					
Current:					
General government	2,538,973	4,230	2,940	309,866	2,856,009
Capital outlay	33,319	-	-	-	33,319
Cost of land sold	<u>-</u>	<u>1,331,263</u>	<u>-</u>	<u>-</u>	<u>1,331,263</u>
Total expenditures	<u>2,572,292</u>	<u>1,335,493</u>	<u>2,940</u>	<u>309,866</u>	<u>4,220,591</u>
Excess (deficiency) of revenues over expenditures	<u>1,000,466</u>	<u>761,921</u>	<u>(1,874)</u>	<u>(289,740)</u>	<u>1,470,773</u>
Other financing sources (uses):					
Transfers in	-	455,750	10,000	300,000	765,750
Transfers out	<u>(765,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(765,750)</u>
Total other financing sources (uses)	<u>(765,750)</u>	<u>455,750</u>	<u>10,000</u>	<u>300,000</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	234,716	1,217,671	8,126	10,260	1,470,773
Fund balances, beginning	<u>5,440,865</u>	<u>6,136,984</u>	<u>106,644</u>	<u>169,490</u>	<u>11,853,983</u>
Fund balances, ending	<u>\$ 5,675,581</u>	<u>\$ 7,354,655</u>	<u>\$ 114,770</u>	<u>\$ 179,750</u>	<u>\$ 13,324,756</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Net change in fund balances-total governmental funds \$ 1,470,773

*Amounts reported for governmental activities in the
Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense. This is the amount
by which capital outlay exceeded depreciation in the
current period.

(154,032)

In the statement of activities, only the gain (loss) on sale or
transfer of assets is reported, whereas in the governmental
funds, the proceeds from the sale increase financial resources.
Thus, the change in net position differs from the change in fund
balance by the difference.

(505)

Some expense reported in the Statement of Activities, such
as compensated absences, do not require the use of
current financial resources and therefore are not
reported as expenditures in governmental funds.

14,306

Changes in net position of governmental activities

\$ 1,330,542

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION

DECEMBER 31, 2013

ASSETS

Cash	\$ -
Investments	<u>3,230</u>
Total assets	<u>\$ 3,230</u>

LIABILITIES

Amounts due bondholders and lessees	<u>\$ 3,230</u>
-------------------------------------	-----------------

NET POSITION

Held in trust for payments to bondholders and lessees	<u>\$ 3,230</u>
--	-----------------

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013**

ADDITIONS

Contributions:

Lease payments received \$ 30,749,313

Total contributions 30,749,313

Investment earnings:

Interest -

Total investment earnings -

Total additions 30,749,313

DEDUCTIONS

Bonds paid and redeemed 28,865,000

Bond interest paid 1,963,505

Total deductions 30,857,370

Change in net position (108,057)

Net position - beginning 111,287

Net position - ending \$ 3,230

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafayette Economic Development Authority (Authority/LEDA) is a political subdivision of the State of Louisiana created under Louisiana Revised Statute 34:291-34:302. It was originally formed under the name of Lafayette Harbor, Terminal, and Industrial Development District. The Authority is governed by a board of commissioners consisting of twelve appointed members. The Authority is authorized to construct or acquire industrial parks and industrial plant buildings, including sites and other necessary property and appurtenances, and to acquire, construct, improve, operate, maintain, and provide improvement and services necessary. It is also authorized to sell, lease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing within the parish, all or any part of an industrial plant site, industrial plant building, or other property owned by the Authority.

The accounting and reporting policies of the Authority conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, as well as any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; and the Louisiana Governmental Audit Guide.

Financial Reporting Entity

FASB ASC Section 2100 – Defining the Financial Reporting Entity - This report includes all funds, account groups, and component units, which are controlled by or dependent on the Lafayette Economic Development Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, or other general oversight responsibility. At December 31, 2013, there were no entities that met the criteria to be considered a component unit of the Authority.

The following is a summary of certain significant accounting policies:

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include proceeds received from the sale of land inventory. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide and Fund Financial Statements - continued

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. All individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Ad valorem taxes are recognized as revenues in the year in which such taxes are levied and billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, and interest on investments.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for a specific purpose.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - continued

The *capital projects fund* accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Additionally, the government reports the following fund types:

Agency Funds are used to account for assets held by banks in a trustee capacity for the Authority. These funds are used to account for lease and related receipts from lessees as well as bond, interest, and related payments made to bondholders for industrial development revenue bonds issued by the Authority.

Amounts reported as program revenues include proceeds from the sale of land inventory. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Donated assets are immaterial.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	39
Building improvements	10
Office equipment	5-7
Computer equipment	3-5

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Inventory of Land Held-for-Resale

The inventory of land held-for-resale is valued at cost. The cost is recorded as an expenditure at the time the land is sold. The inventory of land held for resale at year-end is equally offset by a fund balance reserve to indicate that it does not constitute "available expendable resources," even though it is a component of net position.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The ad valorem tax receivable is shown net of an allowance for uncollectibles. The ad valorem tax receivable allowance is equal to 3.50% of levied ad valorem taxes at December 31, 2013.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Vacation, Sick Leave, and Pension Plan

Vacation varies with longevity as follows:

<u>Serving Time</u>	<u>Vacation</u>
After six months up to two years	One week
From two years to seven years	Two weeks
After seven years	Three weeks

No more than thirty days of allowed vacation time may be accrued and be carried over into the next calendar year and paid upon termination. Vacation pay is accrued when incurred in the government-wide financial statements.

Sick leave accrues at the rate of $\frac{1}{2}$ day per month beginning after 3 months of service with a 30-day maximum per year. Sick leave is available for carryover. Upon termination, either voluntary or involuntary, all accrued sick time will be forfeited. Sick leave is not recorded in these financial statements except for \$8,462, which is included in the balance of \$37,560. This amount is attributable to one employee who is grandfathered under an old sick leave policy.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Vacation, Sick Leave, and Pension Plan - continued

For the years beginning January 1, 2004, LEDA employees are eligible participants of the Parochial Employees' Retirement System; a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. This retirement system provides retirement, disability, and death benefits to plan members and their beneficiaries. The plans funding policy requires employees to contribute 9.5% of covered salary. For the years ended December 31, 2013 and 2012, the employer contribution rate was 16.75% and 15.75%. For the years ended December 31, 2013 and 2012, total salary subject to the Parochial Employees' Retirement System was \$1,007,842 and \$960,151 and LEDA's contributions were \$168,888 and \$151,224, respectively.

The Parochial Employees' Retirement System issues an annual publicly available financial report and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Blvd, P.O. Box 14619, Baton Rouge, LA 70809 or by calling (225) 928-1361.

Post-Employment Benefits

LEDA does not offer any of these types of benefits to employees.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Equity Classifications - continued

In the fund statements, governmental fund equity is classified as fund balance. LEDA elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (FASB ASC 1300 and 1800)*, in fiscal year 2011. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2013, by LEDA are nonspendable in form. LEDA has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Commission who has the highest level of decision making authority. Commitments may be modified or rescinded only through actions of the Commission.

Assigned – includes amounts that LEDA intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Commission may assign amounts to this classification.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. LEDA reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, LEDA considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, LEDA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless LEDA has provided otherwise in its commitment or assignment actions.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds. The budget is formally adopted by the Authority, prior to the beginning of the fiscal year. Notices of its completion and availability are published. After its adoption, any adjustments to the budget must follow the same process. All annual appropriations lapse at year-end.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Cash

Restricted cash represents amounts to be set aside annually in the sinking fund as required by the Certificates of Indebtedness, for repayment of the bond principal and interest. There was no restricted cash at December 31, 2013.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid expenses.

Transfers

Permanent reallocation of resources between funds of the Authority are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Impact of Recently Issued Accounting Principles

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and was implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement is effective for periods beginning after December 15, 2012, and was implemented in fiscal year 2013.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In June, 2012, the GASB approved Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and not disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by LEDA for the year ending December 31, 2014 and provisions of GASB Statement No. 68 must be implemented by LEDA for the year ending December 31, 2015. The effect of implementation of these statements on LEDA's financial statements has not yet been determined.

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this (\$154,032) difference are as follows:

Depreciation expense	\$ (187,351)
Capital outlay	<u>33,319</u>
Net adjustment to increase <i>net changes in Fund balances-total governmental funds</i>	
To arrive at <i>changes in net position of governmental activities</i>	<u>\$ (154,032)</u>

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2013 and 2012, the Authority has cash and interest-bearing deposits (book balances) totaling \$9,040,281 and \$5,415,207, respectively.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Notes to Financial Statements
December 31, 2013**

NOTE 4 CASH AND INTEREST-BEARING DEPOSITS - CONTINUED

Custodial Credit Risk Relating to Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits might not be recovered. The Authority does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances), must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2013 and 2012, are as follows:

	<u>2013</u>	<u>2012</u>
Bank Balances	<u>\$ 9,283,907</u>	<u>\$ 5,481,805</u>

At December 31, 2013 and 2012, the deposits are secured as follows:

	<u>2013</u>	<u>2012</u>
Federal Deposit Insurance	\$ 250,000	\$ 250,000
Pledged Securities (Category 3)	<u>9,318,826</u>	<u>6,483,044</u>
Total	<u>\$ 9,568,826</u>	<u>\$ 6,733,044</u>

Pledged securities in Category 3 are comprised of uninsured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the Authority's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Government in June and are actually billed to the taxpayers by the Assessor in October. Billed taxes are due by December 31, becoming delinquent on January 1, of the following year.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 5 AD VALOREM TAXES-CONTINUED

Ad valorem taxes are budgeted and recorded in the year levied and billed. The taxes are based on assessed values determined by the Tax Assessor of Lafayette Parish and are collected by the Sheriff. The taxes are remitted net of deductions for Assessor's compensation and pension fund contributions.

For the years ended December 31, 2013 and 2012, taxes were levied at the rate of 1.82 mills and 1.82 mills, respectively, for general corporate purposes on property with assessed valuations totaling \$2,231,474,220 and \$2,123,625,080, respectively, less homestead exemptions of \$358,487,313 and \$355,651,998, respectively.

The allowance for uncollectible receivables at December 31, 2013 and 2012 is \$119,310 and \$112,620, respectively

Net revenues from ad valorem taxes represent 97% and 95% of total general fund revenues, excluding other financing sources, at December 31, 2013 and 2012, respectively.

NOTE 6 CAPITAL ASSETS

A summary of general fixed assets follows:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Capital assets, being depreciated:				
Buildings	\$ 1,802,158	\$ -	\$ -	\$ 1,802,158
Equipment and Furniture	987,837	33,319	(894)	1,020,262
Manufacturing Equipment	85,093	-	-	85,093
Construction in Progress	-	-	-	-
Total capital assets	<u>2,875,088</u>	<u>33,319</u>	<u>(894)</u>	<u>2,907,513</u>
Less: Accumulated depreciation for:				
Buildings	403,113	67,847	-	470,960
Equipment and Furniture	626,580	107,348	(389)	733,539
Manufacturing Equipment	71,923	12,156	-	84,079
Total accumulated depreciation	<u>1,101,616</u>	<u>187,351</u>	<u>(389)</u>	<u>1,288,578</u>
Total capital assets, being depreciated, net	<u>\$ 1,773,472</u>	<u>\$ (154,032)</u>	<u>\$ (505)</u>	<u>\$ 1,618,935</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 7 LONG-TERM DEBT

A summary of changes in general long-term debt follows:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Compensated Absences	\$ 51,866	\$ 54,109	\$ 68,415	\$ 37,560
Total	<u>\$ 51,866</u>	<u>\$ 54,109</u>	<u>\$ 68,415</u>	<u>\$ 37,560</u>

The Authority issues industrial development revenue bonds for the purpose of financing the acquisition of certain industrial facilities, which it leases or sells to qualifying industrial businesses. Such facilities and the revenue derived from their sale or lease are pledged to service the bonds. These bonds do not constitute an indebtedness or pledge of the general credit of the Authority and therefore, are not included in the financial statements. A detailed summary of all industrial development revenue bonds outstanding at December 31, 2013 is shown on page 38.

NOTE 8 OPERATING TRANSFERS IN/OUT

	Transfers In	Transfers Out
General Fund	\$ -	\$ 765,750
Special Revenue Fund	300,000	-
Capital Projects Fund	465,750	-
	<u>\$ 765,750</u>	<u>\$ 765,750</u>

NOTE 9 AGREEMENT WITH CINGULAR WIRELESS LLC

During 2002, LEDA entered an agreement with Cingular Wireless LLC, whereby LEDA issued revenue Bonds in an amount agreed to by LEDA and Cingular for an amount up to \$10,000,000 and to expend the proceeds to finance the acquisition, construction, and installation of a facility (the Project) for Cingular to house a customer support center in Lafayette, Louisiana.

Upon delivery of the Bonds and receipt of the proceeds, LEDA acquired the Project from Cingular and subsequently leased the Project to Cingular. Cingular's obligation is to make payments under the agreement sufficient to enable the payment of the principal and interest on the Bonds as well as paying agent fees, trustees' fees, and all other costs and charges in connection with the servicing of the Bonds. The Bonds shall not constitute an indebtedness or pledge of the general credit of LEDA. Accordingly, neither the asset nor the related Bonds are recorded on LEDA's books.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

Notes to Financial Statements December 31, 2013

NOTE 10 OPERATING LEASE

On January 1, 1999 the Authority entered into an agreement under a non-cancelable operating lease. The 30-year lease provides for two renewal options at the end of the lease, each for a ten-year period. The agreement calls for an irrevocable transfer of property owned by the Authority, as well as annual payments of \$22,000 per year during the primary term of the lease.

Future minimum lease payments for the lease are as follows:

<u>December 31,</u>	
2014	\$ 22,000
2015	22,000
2016	22,000
2017	22,000
2018	22,000
Thereafter	<u>264,000</u>
	<u>\$ 374,000</u>

On May 1, 2011, the Authority entered into a three year non-cancelable operating lease for facilities. Rental payments are \$7,500 per month with payments made semi-annually on May 1st and November 1st of each year.

Future minimum lease payments for the lease are as follows:

<u>December 31,</u>	
2014	\$ <u>30,000</u>

On June 1, 2012, the Authority entered into a multi-year non-cancelable operating lease for facilities with two (2) additional three (3) year terms. Rental payments are \$45,564.24 per quarter.

Future minimum lease payments for the lease are as follows:

<u>December 31,</u>	
2014	\$ 182,257
2015	<u>182,257</u>
	<u>\$ 364,514</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Notes to Financial Statements
December 31, 2013**

NOTE 11 LITIGATION

There was no litigation pending against the Authority as of December 31, 2013.

NOTE 12 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. LEDA has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. LEDA has no items that qualify for reporting in this category.

NOTE 13 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 9, 2014, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes	\$ 3,125,000	\$ 3,290,000	\$ 3,372,114	\$ 82,114
Intergovernmental	120,500	126,150	123,745	(2,405)
Miscellaneous	<u>24,700</u>	<u>29,800</u>	<u>30,384</u>	<u>584</u>
Total revenues	<u>3,270,200</u>	<u>3,445,950</u>	<u>3,526,243</u>	<u>80,293</u>
Expenditures:				
Current:				
General government	2,504,150	2,693,450	2,538,973	154,477
Capital outlay	<u>54,000</u>	<u>34,000</u>	<u>33,319</u>	<u>681</u>
Total expenditures	<u>2,558,150</u>	<u>2,727,450</u>	<u>2,572,292</u>	<u>155,158</u>
Excess of revenues				
over expenditures	712,050	718,500	953,951	235,451
Other financing sources (uses):				
Interest earned	38,500	47,250	46,515	(735)
Operating transfers out	<u>(750,550)</u>	<u>(765,750)</u>	<u>(765,750)</u>	<u>-</u>
Excess of revenues and other				
sources over expenditures				
and other uses	-	-	234,716	234,716
Fund balance, beginning	<u>5,440,865</u>	<u>5,440,865</u>	<u>5,440,865</u>	<u>-</u>
Fund balance, ending	<u>\$ 5,440,865</u>	<u>\$ 5,440,865</u>	<u>\$ 5,675,581</u>	<u>\$ 234,716</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances with</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Miscellaneous	\$ 20,160	\$ 19,000	\$ 19,506	\$ 506
Total revenues	<u>20,160</u>	<u>19,000</u>	<u>19,506</u>	<u>506</u>
Expenditures:				
Current:				
General government	343,000	328,000	309,866	18,134
Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>348,000</u>	<u>333,000</u>	<u>309,866</u>	<u>23,134</u>
Excess (deficiency) of				
revenues over expenditures	(327,840)	(314,000)	(290,360)	23,640
Other financing sources (uses):				
Interest earned	300	575	620	45
Operating transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Excess (deficiency) of revenues				
and other sources over				
expenditures and other uses	(27,540)	(13,425)	10,260	23,685
Fund balance, beginning	<u>169,490</u>	<u>169,490</u>	<u>169,490</u>	<u>-</u>
Fund balance, ending	<u>\$ 141,950</u>	<u>\$ 156,065</u>	<u>\$ 179,750</u>	<u>\$ 23,685</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER INFORMATION**

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants
100 Petroleum Drive, 70508
P.O. Box 80569 • Lafayette, Louisiana 70598-0569
(337) 232-3637 • Fax (337) 235-8557
www.wmddh.com

JOHN W. WRIGHT, CPA *

JAMES H. DUPUIS, CPA, CFP *

JAN H. COWEN, CPA *

LANCE E. CRAPPELL, CPA, CGMA *

MICAH R. VIDRINE, CPA *

TRAVIS M. BRINSKO, CPA *

RICK L. STUTES, CPA, CVA/ABV, APA *

CHRISTINE R. DUNN, CPA**

DAMIAN H. SPIESS, CPA, CFP **

JOAN MARTIN, CPA, CVA, CFF, DABFA**

BRIDGET B. TILLEY, CPA, MT**

* A PROFESSIONAL CORPORATION
** A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA **
MICHAEL G. DEHART, CPA **
JOE D. HUTCHINSON, CPA **

+RETIRED



STEPHANIE A. BLANK, CPA

ROBERT T. DUCHARME, II, CPA

STEFAN HAWKINS, CPA

KAYLEEN HOWARD, CPA

MARY PATRICIA KEELEY, CPA

ROBIN T. LeBLANC, CPA

WENDY ORTEGO, CPA, CVA

ROBIN G. STOCKTON, CPA

TINA B. VIATOR, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Chairman of the Board
and Members of the Board of Commissioners
Lafayette Economic Development Authority
Parish of Lafayette, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 9, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, LLC
Certified Public Accountants

June 9, 2014
Lafayette, Louisiana

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments, which are not required legally or by sound financial management to be accounted for in another fund.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013			
	Final Budget	Actual	Variance - Favorable (Unfavorable)	2012 Actual
Current:				
General government:				
Salaries, taxes and benefits	\$ 1,480,000	\$ 1,425,521	\$ 54,479	\$ 1,299,922
Existing business retention/expansion	29,500	28,899	601	24,237
Professional development	36,000	34,065	1,935	21,114
Business recruitment	84,500	79,285	5,215	66,744
Louisiana Crossroads Initiative	60,500	60,084	416	60,084
Downtown Development	4,050	3,116	934	1,824
Marketing and advertising	23,000	17,101	5,899	25,348
Office operations	130,000	127,008	2,992	117,436
Industrial property maintenance	18,500	14,239	4,261	16,441
Legal notices and audit	13,000	9,416	3,584	9,536
Insurance	30,000	26,114	3,886	24,892
Louisiana Public Retirement	120,000	123,047	(3,047)	115,458
Legal and professional fees	60,000	32,343	27,657	23,480
Governmental & UL Lafayette liaison	41,000	37,047	3,953	37,737
Contingencies	5,000	-	5,000	1,016
Trade development	-	-	-	1,500
Information services	25,500	24,892	608	15,954
Technology	38,400	35,907	2,493	15,018
Workforce Connection Programs	44,500	39,317	5,183	36,551
Special projects	400,000	371,572	28,428	116,844
Acadiana Economic Development Council	50,000	50,000	-	55,000
Capital outlay:				
Equipment and furniture	34,000	33,319	681	113,014
Debt service:				
Principal	-	-	-	140,000
Interest	-	-	-	3,850
Total	<u>\$ 2,727,450</u>	<u>\$ 2,572,292</u>	<u>\$ 155,158</u>	<u>\$ 2,343,000</u>

AGENCY FUNDS

To account for assets held by banks in a trustee capacity for the Authority. These funds are used to account for leases and related receipts from lessees as well as bond principal, interest, and related payments made to the holders of industrial development revenue bonds issued by the Authority.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**COMBINING BALANCE SHEETS - AGENCY FUND
DECEMBER 31, 2013**

	Cingular Project Series 2001	University of Louisiana at Lafayette Art Museum	Stirling Properties of Lafayette	Totals
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	3,230	-	3,230
Total assets	<u>\$ -</u>	<u>\$ 3,230</u>	<u>\$ -</u>	<u>\$ 3,230</u>
LIABILITIES				
Amounts due to bondholders and lessees	<u>\$ -</u>	<u>\$ 3,230</u>	<u>\$ -</u>	<u>\$ 3,230</u>

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 2013**

ASSETS				
Cash, January 1	\$ -	\$ -	\$ -	\$ -
Investments, January 1	-	3,230	-	3,230
	-	3,230	-	3,230
Additions:				
Lease payments received	1,610,000	67,500	29,071,813	30,749,313
Interest/Dividends earned	-	-	-	-
	<u>1,610,000</u>	<u>67,500</u>	<u>29,071,813</u>	<u>30,749,313</u>
Deductions:				
Bonds paid and redeemed	-	-	28,865,000	28,865,000
Bond interest paid	1,610,000	67,500	286,005	1,963,505
Other deductions	-	-	28,865	28,865
	<u>1,610,000</u>	<u>67,500</u>	<u>29,179,870</u>	<u>30,857,370</u>
Cash, December 31	-	-	(108,057)	(108,057)
Investments, December 31	-	3,230	-	3,230
Total assets	<u>\$ -</u>	<u>\$ 3,230</u>	<u>\$ (108,057)</u>	<u>\$ (104,827)</u>
LIABILITIES				
Amounts due to bondholders and lessees, January 1	\$ -	\$ 3,230	\$ 108,057	\$ 111,287
Additions	1,610,000	67,500	29,071,813	30,749,313
Deductions	<u>(1,610,000)</u>	<u>(67,500)</u>	<u>(29,179,870)</u>	<u>(30,857,370)</u>
Amounts due to bondholders and lessees, December 31	<u>\$ -</u>	<u>\$ 3,230</u>	<u>\$ -</u>	<u>\$ 3,230</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

INDUSTRIAL DEVELOPMENT REVENUE BONDS

ISSUED AND OUTSTANDING

DECEMBER 31, 2013

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding December 31, 2013</u>
University of Louisiana at Lafayette Art Muesum	03/28/02	\$ 8,500,000	\$ 1,500,000
Cingular Project Series 2001	12/21/01	23,000,000	23,000,000
Gulf Opportunity Zone Revenue Bonds, Series 2008 (Stirling Lafayette, LLC Project)	01/31/08	<u>29,400,000</u>	<u>-</u>
		<u>\$ 60,900,000</u>	<u>\$ 24,500,000</u>

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY
Compensation Paid to Members of the Board of Commissioners
December 31, 2013

The commissioners of the Authority receive no compensation and are only reimbursed for their expenses incurred relating to the Authority's business, which must have appropriate supporting documentation.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Summary of Corrective Action Taken on Prior Year Findings
December 31, 2013**

There were no prior year findings.

LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2013**

PART 1 SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Auditors' Report

An unmodified opinion has been issued on the Lafayette Economic Development Authority of the Parish of Lafayette, Louisiana's financial statements as of and for the year ended December 31, 2013.

Reportable Conditions – Financial Reporting

There were no reportable conditions.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance.

FEDERAL AWARDS

This section is not applicable.

PART 2 FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

There were no findings.

PART 3 FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL PROGRAMS

This section is not applicable.